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UNCLAS HANOI 003356

SIPDIS

STATE FOR EAP/MLS AND EB/TPP/BTA/ANA GOODMAN AND WICKMAN  
STATE PASS USTR ELENA BRYAN AND GREG HICKS  
USDOC FOR 4431/MAC/AP/OPB/VLC/HPPHO  
TREASURY FOR OASIA

SENSITIVE

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TAGS: [ETRD](#) [PREL](#) [OREP](#) [VM](#) [WTRD](#) [WTO](#) [APEC](#)

SUBJECT: CODEL GORDON SMITH MEETS WITH PRESIDENT LUONG

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**¶11.** (SBU) Summary: A visiting U.S. Senate delegation led by Senator Gordon Smith (R-OR) and comprised of six other Senators held a courtesy call meeting with Vietnamese President Tran Duc Luong on December 12. The delegation and the President expressed their commitment to further developing trade and commercial exchanges between the two countries. President Luong spoke about Vietnam's interest in increasing U.S. foreign direct investment and assured Senator Smith that Vietnam is working hard to prepare for the Asia Pacific Economic Cooperation (APEC) 2006 meetings. Senator Smith raised U.S. concerns on trade issues and legal protections, observing that potential WTO accession and the required Permanent Normalized Trade Relations (PNTR) vote mean that strong, legal and administrative reforms, and their effective implementation, are especially critical at this time. Smith also emphasized the importance of political reforms in Vietnam, both to the PNTR vote and to Vietnam's future development. End Summary.

**¶12.** (SBU) On December 12, President Tran Duc Luong and a visiting U.S. Senate delegation led by Senator Gordon Smith (R-OR) and comprised of Senators Trent Lott (R-MS), Robert Bennett (R-UT), Ron Wyden (D-OR), Jim Bunning (R-KY), John Cornyn (R-TX), and Mike Crapo (R-ID) met for forty minutes to review bilateral relations and discuss ways to expand and improve trade between the United States and Vietnam. U.S. The Ambassador and several Senate staffers were also present.

**¶13.** (SBU) President Luong began the meeting by welcoming the delegation to Hanoi. Luong noted that this visit is another example the growing level of trust and cooperation that exists between the United States and Vietnam. The President spoke briefly but frankly about past tensions, but noted that the Bilateral Trade Agreement and senior-level visits of U.S. officials have greatly helped to bring the two nations closer together. Luong asserted that the United States and Vietnam share a commitment to independence and freedom as exemplified by Ho Chi Minh's quotation from the Declaration of Independence in his September 2, 1945 speech.

**¶14.** (SBU) President Luong spoke warmly about his meeting with President Bush at the Asia Pacific Economic Cooperation (APEC) Leaders Meeting summit last month in Busan, Korea. He stressed that Vietnam is working hard to prepare to host APEC 2006. He also emphasized that U.S. investment in Vietnam is very important as the country continues to transition from a State-run to a market economy.

**¶15.** (SBU) Senator Smith thanked the President for his welcome and expressed the delegation's appreciation for the support and effort the Government of Vietnam (GVN) had provided for the visit. Senator Smith said he shared the President's hope that past wounds will continue to heal. The delegation is likewise interested in seeing that bilateral trade and cooperation continue to increase. The Senator noted that the possibility of concluding U.S.-Vietnam WTO negotiations next year, and the Permanent Normalized Trade Relations (PNTR) vote in the U.S. Congress that would follow, is of particular interest to the members of this delegation. The way in which American businesses are treated in Vietnam, and the legal protections provided them, are also a priority, he said.

**¶16.** (SBU) Senator Smith also stressed the importance of democratic reform, noting that freedom of the press, of assembly, of religion and of speech were rights the U.S. Constitution guarantees all citizens. Vietnam and the United States may currently have different approaches to governing their citizens but those basic freedoms are important to a country's health and development, the Senator emphasized.

**¶17.** The CODEL has cleared this cable.

MARINE